

CLAIMS

What is claimed is:

16. (currently amended) ~~An online method to enable a first entity to serve as surety for a second entity, the method comprising the steps of: providing an online site having a server operable to receive a bond request; receiving a bond request; conducting a preauthorization of a charge to a specified account; issuing a bond, wherein the first entity serves as a surety; and conducting a re-preauthorization of a charge to a specified account after the occurrence or nonoccurrence of a specified condition and/or a period of time has passed.~~ A method of guarding against default in Internet auction transactions, said method comprising the following steps:

(a) providing a server operable to host an Internet auction and to register users;

(b) maintaining an electronic database, said database comprising a first record pertaining to the behavior of a first entity in a first Internet auction transaction, said first record indicating that said first entity's behavior in said first Internet auction transaction was acceptable or not acceptable; and

(c) performing an evaluation of whether to bond said first entity or to guarantee a second Internet auction transaction, wherein:

said evaluation is made with reference to said first record such that the likelihood of bonding said first entity or guaranteeing said second Internet auction transaction is increased or decreased according to whether said first

record indicates that the behavior of said first entity in said first Internet auction was acceptable or unacceptable.

17. (currently amended) ~~The online method described in claim 16, comprising the further step charging payment to the specified account to renew the bond following expiration of the bond.~~ The method in claim 16 additionally comprising the following step:

(d) providing an electronic form by which a second entity may submit data to be included in said first record, said second entity being a party to said first Internet auction transaction.

18. (currently amended) ~~The online method described in claim 17, comprising the further step of: generating an unique identifier suitable to display on a computer network evidencing to a third entity that a bond is in effect with respect to transactions involving a second entity, wherein the first entity serves as a surety.~~ The method in claim 17 wherein said first record comprises at least one factor to be used in producing a rating number wherein: said rating number may be compared against a threshold number such that a third entity will not bond said first entity or guarantee said second Internet auction transaction unless said rating number is not less than said threshold number.

19. (currently amended) ~~The online method described in claim 16, comprising the further step of: activating the bond or guaranty coverage upon receipt of a request for~~

~~coverage from a third entity.~~ The method in claim 18
wherein at least one of the following is true:
said first entity is a seller;
said second entity is a bidder;
said third entity is an electronic payment service provider
or an Internet auction site provider;
said form by which a second entity may create or submit
information for inclusion in said first record is a Bond or
Guaranty Claim Process;
said threshold number is a Risk Exposure Level; and/or
said rating number is a Risk Worthiness Level.

20. . (currently amended) ~~The online method described in~~
~~claim 18, comprising the further step of: activating the~~
~~bond or guaranty coverage upon receipt of a request for~~
~~coverage from a third entity.~~ The method in claim 16
additionally comprising the following step:
(d) displaying a credibility number proximate to the User
ID of said first entity in a first document, wherein:
said first document is suitable for display by a web
browser and comprises information pertaining to an Internet
auction transaction; and
said credibility number indicates either said first
entity's bond margin or said first entity's feedback
rating.

21. (currently amended) ~~The online method as described in~~
~~claim 17, comprising the further step of: communicating a~~
~~suspension notice to the first entity if the bond renewal~~
~~is unsuccessful.~~ A method for reducing the risk of non-

payment by Internet auction bidders, said method comprising the following steps:

(a) providing a server through which a first Internet auction may be conducted;

(b) submitting a first source of funds prior to the close of said first Internet auction, said first source of funds being associated with a first bidder;

(c) submitting electronic funds transfer information pertaining to a first receiving account prior to the close of said first Internet auction, said first receiving account being associated with a first seller;

(d) comparing the funds available through said first source of funds to a threshold number;

(e) finding that the funds available through said first source of funds are not less than said threshold number;

and

(f) causing two events to occur essentially simultaneously, said two events being (i) the closure of said first Internet auction and (ii) the processing of payment for said first Internet auction.

57 . (currently amended) ~~A method of collateralizing a credit card, the method comprising the steps of: receiving credit account information from a first entity; conducting a preauthorization of a charge to a user's account; after an occurrence or nonoccurrence of a specified condition and/or a period of time has passed, voiding the preauthorization and conducting a re-preauthorization of a charge to the same user's account.~~ The method in claim 21 wherein at least one of the following is true:

said source of funds is a credit card account or a deposit account;

said threshold number comprises a price for the item listed in said first Internet auction; and

said processing of payment further comprises electronically transferring funds to said first receiving account.